

(4) Organization of Hankyu Hanshin REIT

① Matters Concerning Corporate Governance

(i) Details of the Organization

Hankyu Hanshin REIT shall have at least one Executive Director(s) and at least two Supervisory Directors (and at least one more Supervisory Director than the number of Executive Directors) (Article 18 of Articles of Incorporation).

As of the date of this document, the organization of Hankyu Hanshin REIT is comprised of the General Unitholders' Meeting featuring unitholders, in addition to one Executive Director, two Supervisory Directors, the Executive Meeting, which includes all Executive Directors and Supervisory Directors, as well as the Accounting Auditor.

a. General Unitholders' Meeting

Certain matters concerning Hankyu Hanshin REIT, as stipulated under the Investment Trusts Act or the Articles of Incorporation, shall be resolved at a General Unitholders' Meeting, comprised of unitholders. Except as otherwise stipulated by laws or the Articles of Incorporation, resolutions at the General Unitholders' Meeting shall be made by majority vote among the unitholders in attendance (Article 12 of Articles of Incorporation). However, certain important items including amendments to the Articles of Incorporation (Article 140 of Investment Trusts Act), etc. require two-thirds or more majority vote made by the unitholders in attendance, provided that unitholders in attendance at the meeting hold the majority of investment units (hereinafter "special resolution") (Article 93-2, Paragraph 2 of Investment Trusts Act). However, if a unitholder neither attends a unitholders' meeting nor exercises voting rights, they shall be deemed to be in agreement with the proposal submitted at such unitholders' meeting (in cases where more than two proposals are submitted and they include conflicting proposals, all conflicting proposals shall be excluded) (Article 93, Paragraph 1 of Investment Trusts Act; Article 15, Paragraph 1 of Articles of Incorporation).

The investment target and investment policy of Hankyu Hanshin REIT are set forth in the Articles of Incorporation (Chapter 5 "Asset Management"). Amending the investment target and investment policy as set forth in the Articles of Incorporation will require a special resolution, as outlined above, at the General Unitholders' Meeting.

The General Unitholders' Meeting of Hankyu Hanshin REIT shall be held in Osaka City, and as a basic rule, is to be convened at least once every two years (Article 9 of Articles of Incorporation). On August 5, 2016, Hankyu Hanshin REIT convened a General Unitholders' Meeting, and shall convene without delay thereafter a General Unitholders' Meeting on August 5 every other year. In addition, Hankyu Hanshin REIT may call for extraordinary general meetings of shareholders as needed (Article 10, Paragraph 2 of Articles of Incorporation).

Hankyu Hanshin REIT has concluded an asset management services agreement with the Asset Management Company, and entrusts to the Asset Management Company operations concerning management of its assets. If the Asset Management Company wishes to cancel the asset management services agreement, the consent of Hankyu Hanshin REIT is required, and in order to approve this, in principle, the Executive Director shall first obtain approval at the General Unitholders' Meeting (Article 205 of Investment Trusts Act). Furthermore, in the case Hankyu Hanshin REIT cancels the asset management services agreement, in principle, a resolution by the General Unitholders' Meeting shall be required (Article 206, Paragraph 1 of Investment Trusts Act).

b. Executive Director, Supervisory Director and Executive Meeting

In addition to undertaking the executive management of Hankyu Hanshin REIT, the Executive Director has the authority to take any judicial or extra-judicial acts related to the business of Hankyu Hanshin REIT on behalf of Hankyu Hanshin REIT (Article 109, Paragraphs 1 and 5 of Investment Trusts Act; Article 349, Paragraph 4 of the Companies Act (No. 86 of 2005, as amended.)) However, the approval of the Executive Meeting is required for certain duties stipulated in the Investment Trusts Act, such as providing consent for cancelling the asset management services agreement originating from the Asset Management Company, convening of the General Unitholders' Meeting, entrusting administrative work to general administrative service providers, concluding asset management services agreements and asset custody entrustment agreements, and other duties (Article 109, Paragraph 2 of Investment Trusts Act). Supervisory Directors have the authority to oversee the Executive Director's execution of duties (Article 111, Paragraph 1 of Investment Trusts Act). Executive Meeting, in addition to having the authority to approve the execution of certain duties as stated above (Article 109, Paragraph 2 of Investment Trusts Act), has the authority as stipulated in the Investment Trusts Act and the Articles of Incorporation to oversee the Executive Director's execution of duties (Article 114, Paragraph 1 of Investment Trusts Act). Unless otherwise stipulated in laws and the Articles of Incorporation, resolutions of the Executive

Meeting are made when a majority of the members of the Board of Directors who are entitled to vote is in attendance, and by majority vote for resolution (Article 115, Paragraph 1 of Investment Trusts Act; Article 369, Paragraph 1 of Companies Act; Article 24 of Articles of Incorporation).

Article 115, Paragraph 1 of Investment Trusts Act; Article 369, Paragraph 2 of Companies Act; and the Articles of Incorporation (Article 24, Provisions) of Hankyu Hanshin REIT stipulate that the Executive Director or Supervisory Director with a special vested interest may not participate in a resolution, and that in such case, the Executive Director or Supervisory Director shall not be included in the number of Executive Director(s) and Supervisory Directors present.

Though an Executive Director or a Supervisory Director that neglects their duties may be liable for damage incurred by an investment corporation (Article 115-6, Paragraph 1 of Investment Trusts Act), as stipulated in the Investment Trusts Act (Article 155-6, Paragraph 7 of Investment Trusts Act), Hankyu Hanshin REIT may exempt the aforementioned liability for damage, to an extent allowed by laws, through a resolution by the Executive Meeting (Article 22 of Articles of Incorporation).

c. Accounting Auditor

Hankyu Hanshin REIT has designated KPMG AZSA LLC as the Accounting Auditor. The Accounting Auditor shall audit Hankyu Hanshin REIT's calculation documents, etc. (Article 115-2 of Investment Trusts Act). Furthermore, the Accounting Auditor shall report to Supervisory Auditors in the event a fraudulent act or material fact violating any law or the Articles of Incorporation concerning the execution of duties of the Executive Director is detected and shall execute other duties stipulated by laws (Article 115-3 of Investment Trusts Act, etc.).

(ii) Internal Audit and Supervision Organization by Supervisory Directors, Personnel and Procedures

The rules of the Executive Meeting of Hankyu Hanshin REIT indicate that a Executive Meeting shall be held at least once every three months, and in practice, these meetings are convened roughly once a month.

The Executive Meeting is comprised of, in addition to one Executive Director and two Supervisory Directors, the President and Representative Director and Directors of the Asset Management Company, and has established the internal audit structure by confirming the status of the Asset Management Company's asset management operations.

In addition to the above, it supervises the Executive Director's execution of duties by drafting decision-making documents under the prerogative of the Executive Director, saves them, and thereafter obtains the approval of the Supervisory Directors.

As of the date of this document, one attorney and one certified public accountant are appointed as Supervisory Directors, and based on their operational experience and insight, they supervise the Executive Director's execution of duties from various viewpoints.

(iii) Mutual Cooperation between Internal Audit, Supervision by Supervisory Directors and Accounting Audit

Each Supervisory Director receives reports concerning asset management and compliance from the Executive Director and the Asset Management Company at the Executive Meeting of Hankyu Hanshin REIT.

On the other hand, the Accounting Auditor cooperates with the Supervisory Directors by regularly hosting audit briefing sessions, etc. for the Supervisory Directors. In addition, in the execution of their tasks, if the Accounting Auditor detects a fraudulent act or material fact violating any law or the Articles of Incorporation concerning the Executive Director's execution of duties and other duties stipulated by laws, the Accounting Auditor has the responsibility to report this to the Supervisory Directors.

(iv) State of Hankyu Hanshin REIT's Management Structure against Related Companies

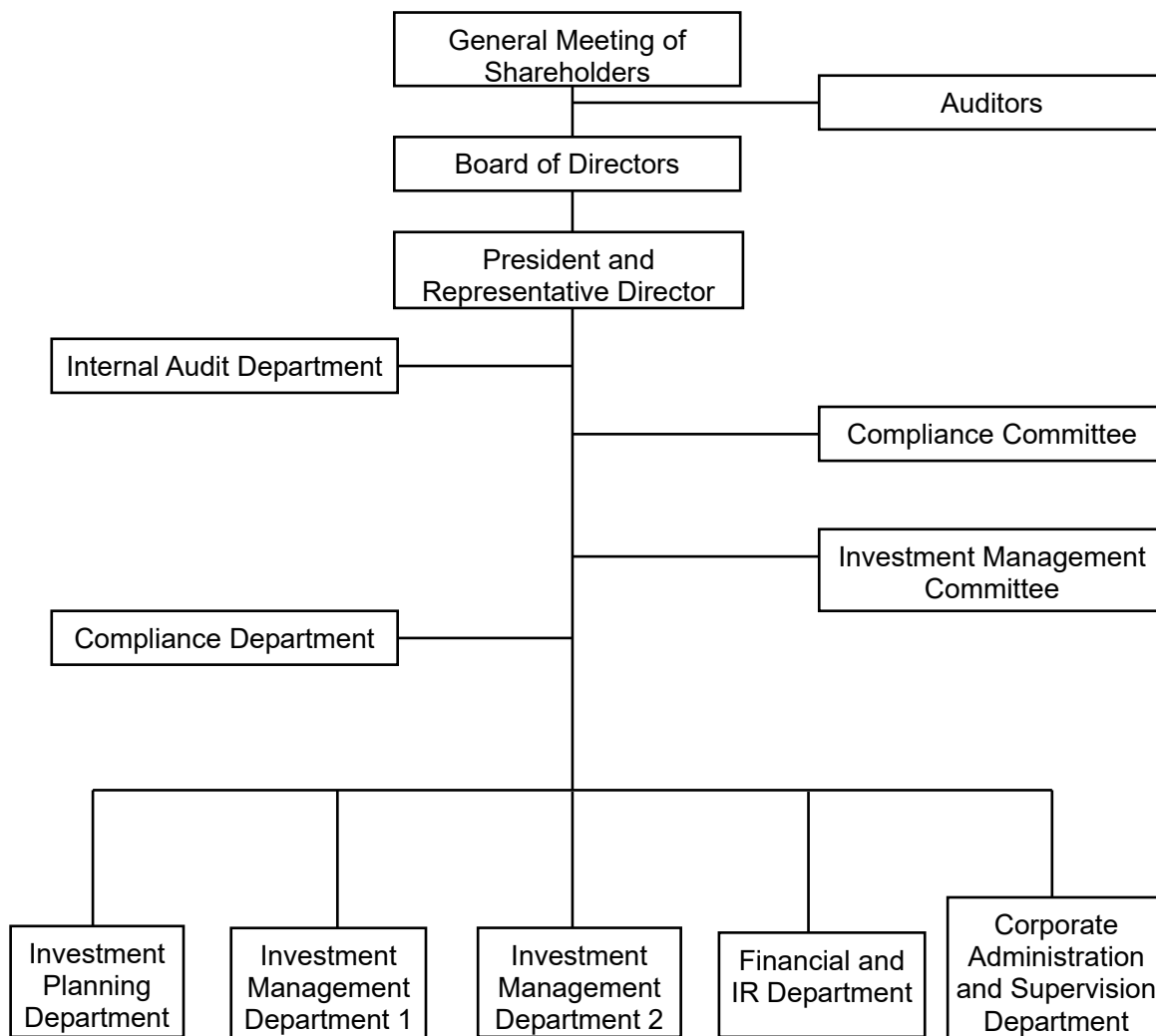
In regard to the Asset Management Company, in addition to requiring reports on the Asset Management Company's execution of duties at meetings of the Executive Meeting of Hankyu Hanshin REIT, the Asset Management Company's Compliance Officer attends Executive meetings of Hankyu Hanshin REIT to report on matters of resolution concerning conflict-of-interest transaction as determined by the Compliance Committee (in principle, held once a month based on the rules of the Compliance Committee of the Asset Management Company) of the Asset Management Company, including the details of the questions and answers session (of the conflict-of-interest transaction, those which meet a certain requirement must obtain the approval of the Executive Meeting, on top of the necessary consent of Hankyu Hanshin REIT). In addition, upon investigation by the Asset Management Company, the Asset Management Company reports the observance of laws for portfolio assets to Hankyu Hanshin REIT's Executive Meeting, if deemed appropriate.

Furthermore, while the Operational Guidelines for assets under management (including rules on conflict-of-interest transaction Hereinafter the same.), have been established based on the asset management services agreement concluded between Hankyu Hanshin REIT and the Asset Management Company as well as the Articles of Incorporation, if the Asset Management Company revises these Operational Guidelines, it will report this to Hankyu Hanshin REIT’s Executive Meeting in a timely manner. Hankyu Hanshin REIT receives regular reports on the execution of duties of the general administrators and the Asset Custodian at its Executive Meeting.

② Management Structure of Hankyu Hanshin REIT

As mentioned above, asset management operations of Hankyu Hanshin REIT have been entrusted to Hankyu Hanshin REIT Asset Management Inc., the Asset Management Company. The organization and summary of operations for each position for the Asset Management Company is outlined below.

Organizational of Hankyu Hanshin REIT Asset Management, Inc.



The Asset Management Company shall engage in operations relating to asset management entrusted by Hankyu Hanshin REIT based on the above organizational structure. The Board of Directors of the Asset Management Company act as the decision-making body for important matters concerning the management of the Asset Management Company, and in addition to making decisions regarding management policy and basic matters concerning the execution of duties, it also supervises the duties of the directors. The operations of the Asset Management Company are assigned to the respective departments including the Investment Planning Department, Investment Management Department 1, Investment Management Department 2, Financial and IR Department^(Note), Corporate Administration and Supervision Department, Compliance Department, and the Internal Audit Department, and each of these departments are supervised by a director in charge and a department head.

The Investment Management Committee has been established as the organization responsible for

deliberation and decisions concerning asset management and operational evaluation, and furthermore, the Compliance Committee has been established as the organization responsible for deliberation and decisions concerning conflict-of-interest transaction, etc., as well as consultation for matters related to compliance, etc.

(Note) As of April 1, 2019, the operations for fund-raising of the Corporate Administration and Supervision Department were moved to the IR and Public Relations Department, and the IR and Public Relations Department was renamed to the Financial and IR Department.

(i) Overview of Operations Assigned to Each Department of the Asset Management Company
The main operations of each department are as follows.

Department	Main duties
Investment Planning Department	<ul style="list-style-type: none"> - Matters related to portfolio constitution strategy for assets - Matters related to functionality assessment for assets (including long-term repair plans, obtainment of appraisal/engineering reports and environmental performance) - Matters related to management policy and management plan for assets (including establishment and amendment of Operational Guidelines and Asset Operation Plan) - Matters related to corporate business plans - Investment Management Committee Bureau - Other related matters
Investment Management Department 1	<ul style="list-style-type: none"> - Matters related to the acquisition/transfer of assets - Matters related to research and analysis of real estate market - Other related matters
Investment Management Department 2	<ul style="list-style-type: none"> - Matters related to the leasing, management and administration of assets (including credit management of lessees) - Matters related to analysis and evaluation of performance of assets under management - Matters related to research and analysis of retail and other industry trends - Other related matters
Financial and IR Department	<ul style="list-style-type: none"> - Matters related to Hankyu Hanshin REIT's capital policies and financial strategy (including matters related to investment units, investment corporation bonds and fund-raising) - Matters related to research and evaluation of Hankyu Hanshin REIT's accounting settlement - Matters related to IR, rating, disclosures and public relations - Matters related to research and analysis of REIT market - Other related matters
Corporate Administration and Supervision Department	<ul style="list-style-type: none"> - Matters related to conclusion, cancellation and amendment of asset management services agreements - Matters related to permits and licenses, notifications, creation of statutory books, applications, and administration - Matters related to industry groups - Matters related to business assistance by the general administrator in Hankyu Hanshin REIT's organizational management - Matters related to Hankyu Hanshin REIT's accounting settlement and cash distributions - Matters related to complaint management

	<ul style="list-style-type: none"> - Matters related to management of the general meeting of shareholders and the board of directors - Matters related to formation and changing of regulations - Matters related to personnel administration, general affairs and accounting - Matters related to management of personal data and critical data (excluding corporate related information) and operation and management of the electronic data system - Other related matters
Compliance Department	<ul style="list-style-type: none"> - Matters related to compliance and risk management - Matters related to the building of internal control systems - Matters related to inspections by the Financial Services Agency - Compliance Committee Bureau - Matters related to prevention of insider trading (including management of corporate related information) - Other related matters
Internal Audit Department	<ul style="list-style-type: none"> - Matters related to internal audits - Other related matters

(ii) Committees

The committees established in the Asset Management Company and their overview are as follows.

a. Investment Management Committee

Committee	President and Representative Director (Committee Chair), full-time directors and comparable directors (excluding compliance officer), heads of respective departments (other than full-time director and comparable director or compliance officer)
Details	Deliberations and resolutions shall be made on the following matters. <ul style="list-style-type: none">- Conclusion of important agreements with Hankyu Hanshin REIT.- Establishment and amendment of details and methods concerning financial instruments trading business (investment management business)- Establishment and amendment of Operational Guidelines- Decisions on and amendment of asset allocation for the entire portfolio- Acquisition and disposal of real estate-related assets- Establishment and amendment of the asset management plan of Hankyu Hanshin REIT- Approval and amendment of the operation management plan concerning investment assets of Hankyu Hanshin REIT- Conclusion and amendment of lease agreements concerning management assets of Hankyu Hanshin REIT and requests for cancellation of lease agreements- Outsourcing of construction work not established in the asset management plan- Activities, etc. for fund-raising of Hankyu Hanshin REIT- Evaluation and analysis of operational performance- Other matters deemed necessary by the President and Representative Director
Method of deliberation and resolution, etc.	The decisions of the Investment Management Committee are made upon approval of all committee members in attendance following deliberation on the committee's own deliberation and resolution matters brought up by the related departments, provided that the Committee Chair, no less than three-fourths of all committee members, and the Compliance Officers are in attendance (while Compliance Officers are obligated to attend, they do not have voting rights. However, if Compliance Officers discover a compliance issue, they refer proposals back to the department where the proposal originated. Furthermore, if there is legitimate reason, a member of the Compliance Department preselected by the Compliance Committee (a member that is next in line to the leader of the Compliance Department) can attend the Investment Management Committee as a substitute for the Compliance Officer.).

b. Compliance Committee

Committee	Compliance Officer (Committee Chair), President and Representative Director, full-time directors, two outside experts ^(Note)
Observer	Other than the Auditor and part-time directors, those who have received approval to attend the committee based on appointment by the Chairman
Details	<p>(i) Matters for deliberation and resolution</p> <ul style="list-style-type: none"> - Establishment and amendment of Statement of Operational Procedures (including regulations such as office organization, complaint management system, and other parts that comprise the Statement of Operational Procedures) and the conclusion and amendment of asset management services agreements. - Establishment and amendment of compliance program - Establishment and amendment of compliance manual - Matters related to compliance related to financial instruments trading business (investment management business) - Establishment of Operational Guidelines - Amendment of Operational Guidelines concerning rules on conflict-of-interest transaction - Approval of conflict-of-interest transaction - Handling of damage indicated by the regulations for handling damage caused by accidents, etc. - Appointment of representative for Compliance Officer in case the Compliance Officer fails to attend the meeting of the Investment Management Committee - Other matters deemed necessary by the Compliance Officer <p>(ii) Advisory matters In the case the Compliance Officer (representative when the Compliance Officer fails to attend) that attended the Investment Management Committee fails to determine clearly whether the details deliberated or the deliberation process in the Investment Management Committee observed laws and various regulations, or fails to determine clearly whether there were compliance issues, and requires the members for deliberation, these matters shall be deliberated, and all of the opinions submitted by the members and observers, including minority opinions, shall be presented to the President and Representative Director and the Board of Directors.</p> <p>(iii) Continuous tasks As a continuous task, the Compliance Committee is responsible for pointing out compliance issues in a timely manner for the following matters.</p> <ul style="list-style-type: none"> - Review of the observance of laws and various regulations and other compliance issues regarding the deliberation process of the Investment Management Committee, ex post facto. - In addition, regular confirmation of the compliance status of management of assets of Hankyu Hanshin REIT
Method of deliberation and resolution, etc.	<p>With the Compliance Officer, the two external experts and no less than three-fourths of all the committee members in attendance, matters placed before the Committee shall be deliberated.</p> <p>Resolutions on matters that fall under (i) above are made with approval of all attendees (observers may attend the Compliance Committee and state their opinions, but do not have the right to participate in resolutions).</p> <p>For matters that fall under (ii) and (ii) above, the Compliance Committee has the right no more than the advisory organs of the</p>

	President and Representative Director and the Board of Directors, and the President and Representative Director and the Board of Directors shall have the authority to make a final decision. However, in such a case, concerning the details of deliberations of the Compliance Committee, all opinions of members (including the Committee Chair) and the observer, including minority opinions, shall be presented to the President and Representative Director and the Board of Directors.
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(Note) As of the date of this document, one attorney and one certified public accountant have been appointed as external experts.

③ Decision-Making Structure for Investment Management

The Asset Management Company establishes Regulations for Asset Management and Operational Guidelines, and sets forth basic approaches to investment management including investment policy, rules on transactions involving interested parties (as defined in “Initiatives towards conflict-of-interest transactions” Hereinafter the same), and disclosure policy, etc.

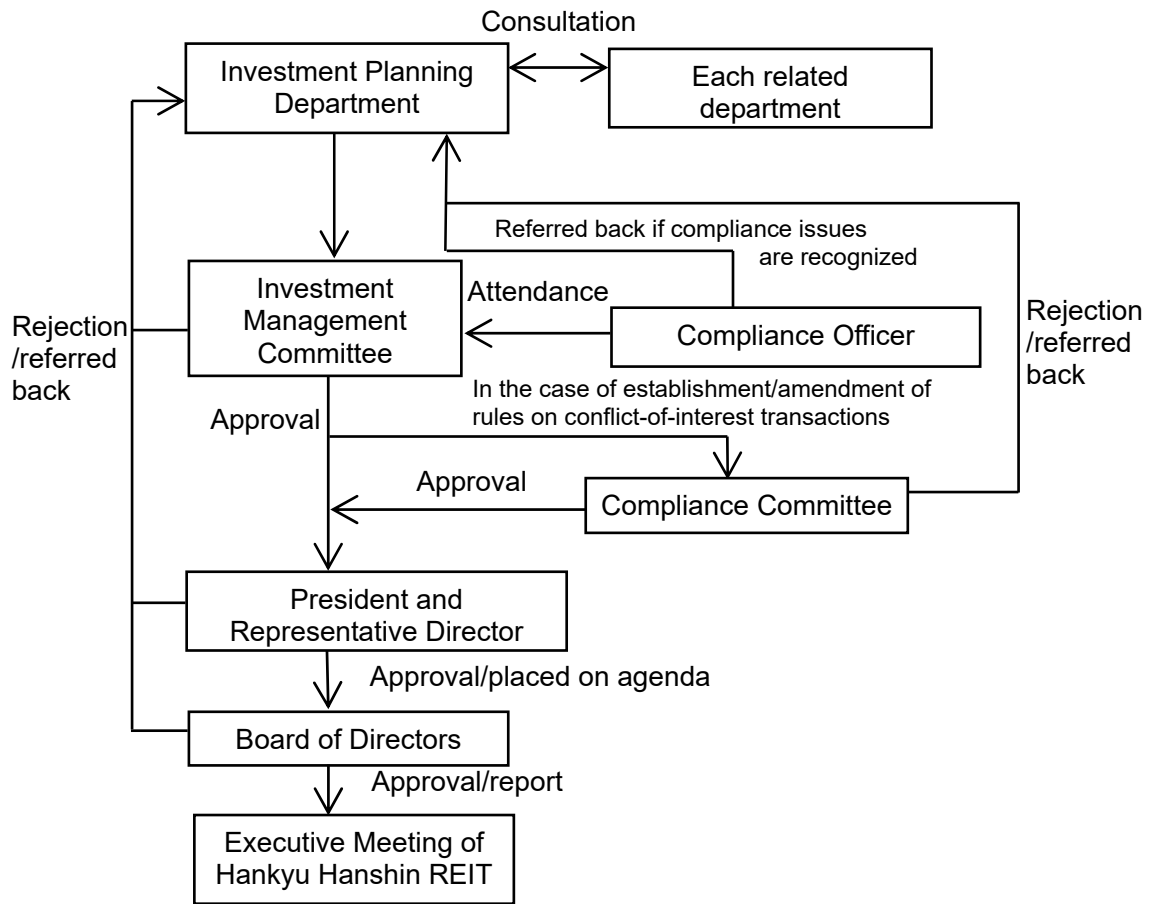
Furthermore, the Asset Management Company establishes asset management plans in accordance with the Operational Guidelines, and makes decisions on acquisitions and other matters concerning asset management according to the investment policy and rules on conflict-of-interest transactions set forth in the Operational Guidelines. Below is the decision-making flow for establishment and amendment of the Operational Guidelines and the asset management plans, as well as for the management of assets.

(i) Decisions on investment policy concerning asset management of Hankyu Hanshin REIT

Decision-making flow for establishment and amendment of the Operational Guidelines

- i. Concerning establishment or amendment of Operational Guidelines, the Investment Planning Department shall consult each related department and draft a proposal, which is then placed on the agenda of the Investment Management Committee. In the case the proposal fails to obtain the approval of the Investment Management Committee, or if the Compliance Officer recognizes compliance issues within the proposal, the proposal shall be referred back to the Investment Planning Department.
- ii. Upon approval by the Investment Management Committee, for the establishment of Operational Guidelines or amendments to the Operational Guidelines concerning rules on transactions involving conflicts of interest, they are deliberated by the Compliance Committee. If approved by the Compliance Committee, it shall be submitted to the President and Representative Director. If not approved at this stage, it shall be referred back to the Investment Planning Department.
- iii. Upon approving the Operational Guidelines, the President and Representative Director places it on the agenda of the Board of Directors. If not approved at this stage, it shall be referred back to the Investment Planning Department.
- iv. Upon deliberation by the Board of Directors, it shall be approved. If not approved at this stage, it shall be referred back to the Investment Planning Department.
- v. The establishment and details of amendments are reported to Hankyu Hanshin REIT’s Executive Meeting thereafter.

As a basic rule, the Operational Guidelines shall be reviewed once a year, however, there may not be any amendments as a result of the reviews. Furthermore, reviews are also conducted whenever there are significant changes to the economic climate.

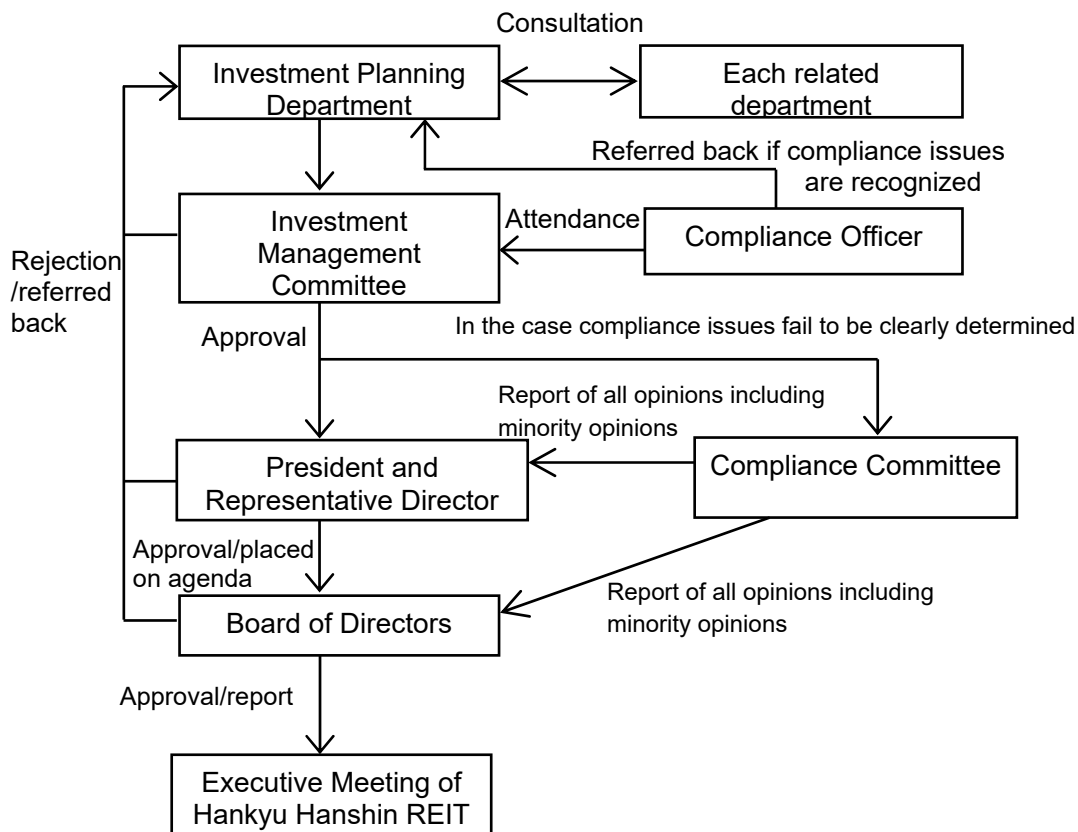


(ii) Establishment of plans and management structure concerning asset management of Hankyu Hanshin REIT

a. Decision-making flow for establishment and amendment of asset management plans

- i. Concerning establishment or amendment of asset management plans, the Investment Planning Department shall consult each related department and draft a proposal, which is then placed on the agenda of the Investment Management Committee. If the proposal fails to obtain the approval of the Investment Management Committee, or if the Compliance Officer recognizes compliance issues within the proposal, the proposal is referred back to the Investment Planning Department.
- ii. Upon approval by the Investment Management Committee, if the Compliance Officer fails to determine clearly whether the details deliberated or the deliberation process in the Investment Management Committee observed the laws and Articles of Incorporation, or fails to determine clearly whether there were compliance issues, and requires the members for deliberation, it shall be placed on the agenda of the Compliance Committee and deliberated. In such an instance, the Compliance Committee shall only be regarded as an advisory organ. Upon deliberation by the Compliance Committee, all opinions of the members and observers, including minority opinions, shall be presented to the President and Representative Director and the Board of Directors.
- iii. Upon approving the asset management plans, the President and Representative Director places it on the agenda of the Board of Directors. If it not approved at this stage, it shall be referred back to the Investment Planning Department.
- iv. With the deliberation results of both committees and the report containing all opinions of the members and observers, including minority opinions, as reference, the Board of Directors shall deliberate the asset management plan and approve it. If not approved at this stage, it shall be referred back to the Investment Planning Department.
- v. Details approved are reported to Hankyu Hanshin REIT's Executive Meeting thereafter, and are reflected in Hankyu Hanshin REIT's forecasts published each fiscal period.

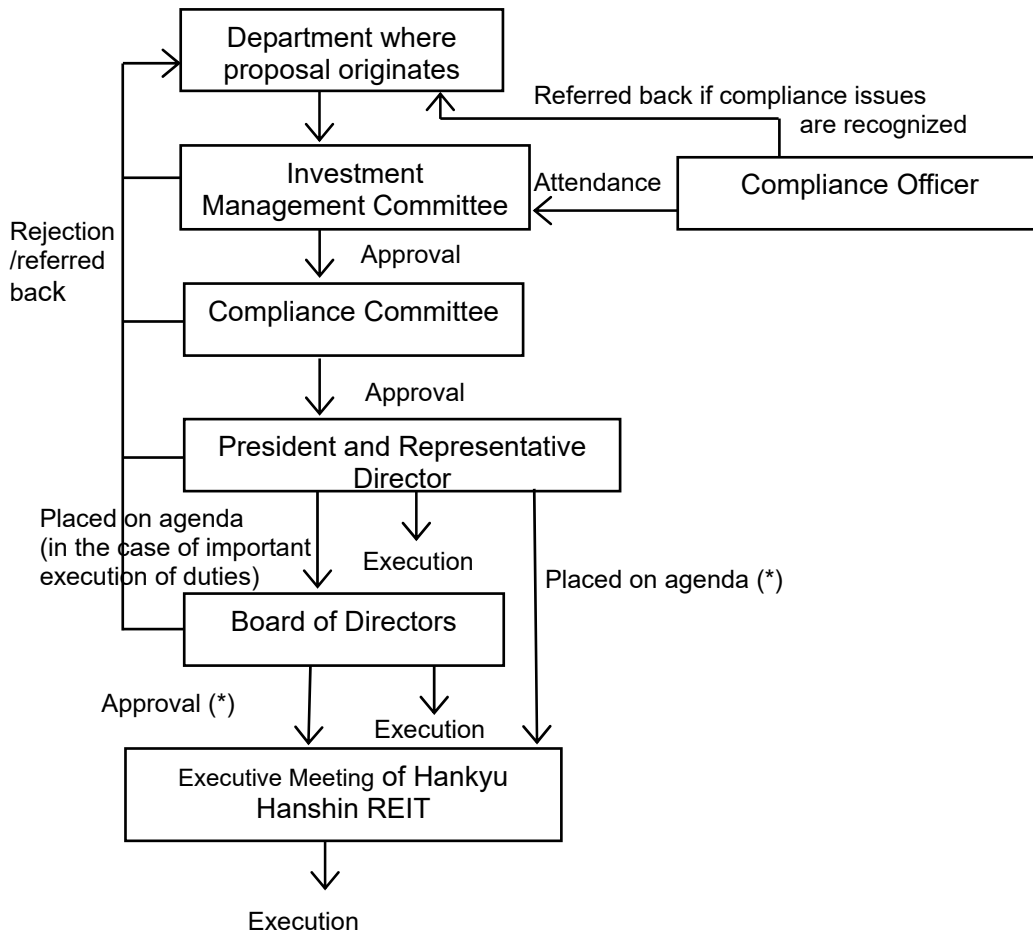
While asset management plans are established for each of Hankyu Hanshin REIT's fiscal periods, if there is a need to make amendments during such a period, the President and Representative Director shall instruct the Investment Planning Department to draft an amendment plan, and amendments shall be made in accordance with the same procedures as establishment of an asset management plan.



b. Decision-making flow for asset management

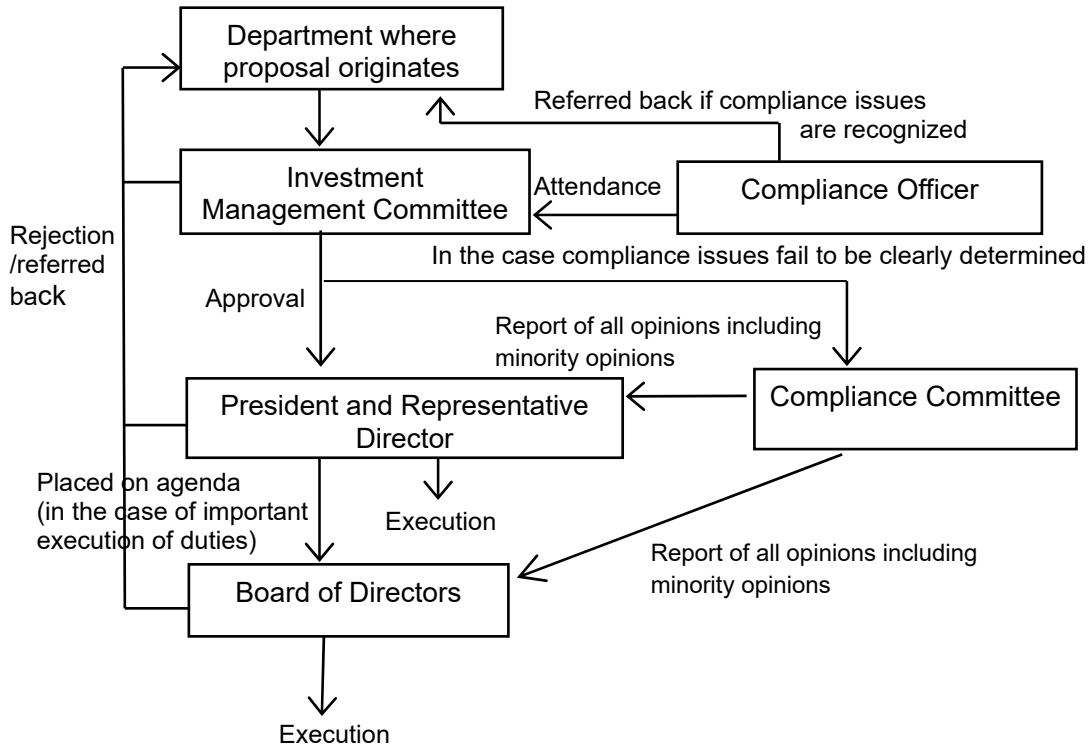
- i. Concerning decision-making on execution of duties concerning asset management, each related department shall draft a proposal on execution of duties, which is then placed on the agenda of the Investment Management Committee. If the proposal fails to obtain the approval of the Investment Management Committee, or if the Compliance Officer recognizes compliance issues within the proposal, the proposal shall be referred back to the department where the proposal originated.
- ii. Upon approval by the Investment Management Committee, if (i) the proposal falls under a transaction involving conflicts of interest, or if (ii) the Compliance Officer fails to determine clearly whether the details deliberated or the deliberation process of the Investment Management Committee observed the laws and the Articles of Incorporation or whether there were compliance issues, and requests deliberation, it shall be placed on the agenda of the Compliance Committee and deliberated.
- iii. In the case of ii. (i) above, if approved by the Compliance Committee the proposal shall be submitted to the President and Representative Director. If not approved by the Compliance Committee because compliance issues are recognized, it shall be referred back to the department where the proposal originated.
- iv. In the case of ii. (ii) above, the Compliance Committee shall only be regarded as an advisory organ. Upon deliberation by the Compliance Committee, all opinions of the members and observers, including minority opinions, shall be presented to the President and Representative Director and the Board of Directors.
- v. Upon approval by the President and Representative Director, whether a resolution by the Board of Directors will be needed is based on the Board of Directors' standards for placing items on the agenda, defined separately (the necessity of placing it on the agenda is also subject to decisions of compliance.). If not approved by the President and Representative Director or the Board of Directors, it shall be referred back to the department where the proposal originated.
- vi. In the case of ii. (i) above, if the proposal falls under an acquisition, transfer, or transaction for securities or real estate (excluding transactions under Article 245-2 of Regulation for Enforcement of the Investment Trusts Act.), the consent of Hankyu Hanshin REIT must be confirmed in addition to the obtainment of approval of the Executive Meeting.

<In the case a transaction involves conflicts of interest (ii. (i) above)>

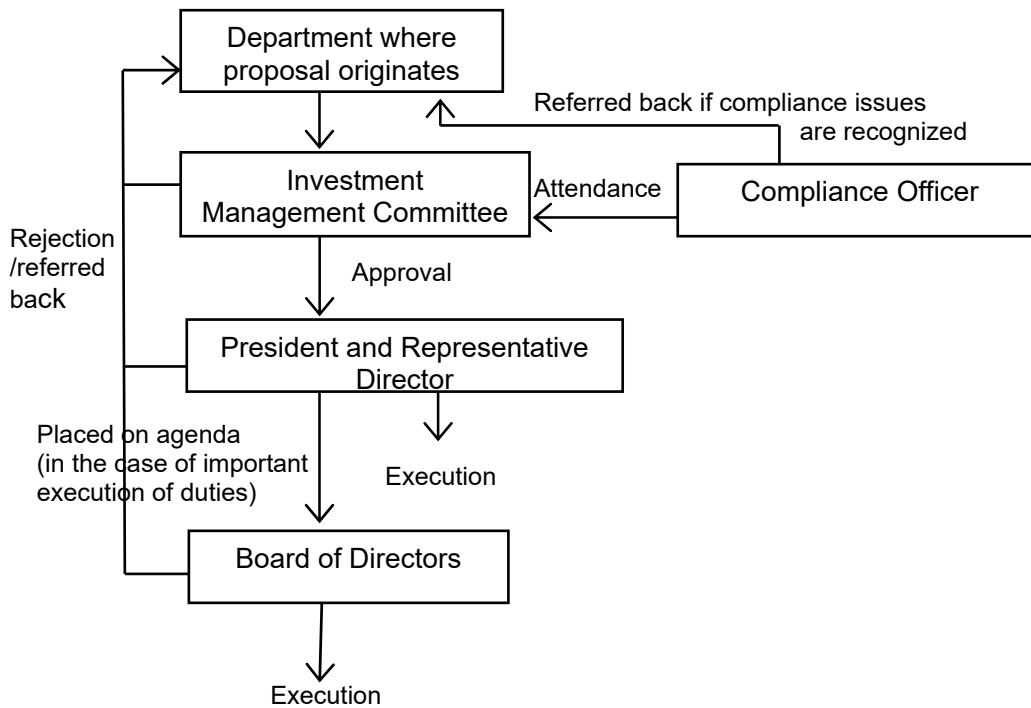


* In the case of acquisition, transfer, or leasing of securities or real estate (excluding transactions under Article 245-2 of Regulation for Enforcement of the Investment Trusts Act.)

<In the case the Compliance Officer fails to determine clearly whether the details deliberated or the deliberation process in the Investment Management Committee observed the laws and Articles of Incorporation or fails to determine clearly where there were compliance issues, and requires the members for deliberation (ii. (ii) above)>



<In the case it does not meet neither ii. (i) or (ii) above>



(iii) Reporting to Hankyu Hanshin REIT's Executive Meeting concerning transactions with interested parties

In the case acquisition, transfer, leasing, entrustment of management, mediation of sales, purchases, and leases, outsourcing of construction work, and debt financing, etc. for assets under management falls under a transaction with an interested party as prescribed in rules on transactions involving conflicts of interest established by the Asset Management Company, in addition to the previously mentioned decision-making flow, it shall be reported to Hankyu Hanshin REIT's Executive Meeting (excluding cases approved by Hankyu Hanshin REIT's Executive Meeting in accordance with the previously mentioned decision-making flow.). Concerning changing the principles of the internal rules of reporting to the Executive Meeting, there is also a need to report this to Hankyu Hanshin REIT's Executive Meeting. For a summary, please see "Initiatives towards conflict-of-interest transactions".

④ Status of risk management system concerning investment management

The Asset Management Company has established basic matters concerning investment management as the Operational Guidelines, including the investment policy, rules on transactions with interested parties, distribution policy, and disclosure policy, etc. based on the asset management services agreement concluded with Hankyu Hanshin REIT and the Articles of Incorporation of Hankyu Hanshin REIT. By following these Operational Guidelines, the Asset Management Company endeavors to manage risks concerning investment management.

As for specific risk management, a basic plan for risk management shall be established each fiscal year based on the risk management rules and the risk management manual, upon understanding and analyzing risks in each department such as risks concerning acquisition and transfer of assets, risks coinciding with operation management, risks concerning funds procurement, office work risk, etc. In addition, upon making decisions concerning asset management, deliberations are held at the Investment Management Committee and Compliance Committee as necessary, and important matters are deliberated or reported to the Board of Directors. Separately from this, based on the regulations for internal auditing, the Internal Audit Department, which has the right to audit all departments, shall regularly check the management system and response status towards risks, etc., and report these results to the Board of Directors.

For transactions involving conflicts of interest, in addition to deliberations by the Compliance Committee, the Compliance Officer shall attend the meetings of the Investment Management Committee, confirm whether conflicts of interest exist or not, and by obtaining the agreement of the Compliance Officer on all requests for managerial decisions, endeavor to prevent conflicts of interest and violations of laws, etc.

In addition, the Asset Management Company has established the compliance manual and compliance program as basic policies for action. Based on these, the Compliance Department conducts inspections and training for legal compliance.